

CALIFORNIA ENERGY COMMISSION1516 NINTH STREET
SACRAMENTO, CA 95814-5512

October 11, 2001

TO: AGENCY DISTRIBUTION LIST

**REQUEST FOR AGENCY REVIEW OF THE AVENAL ENERGY PROJECT,
APPLICATION FOR CERTIFICATION (01-AFC-20)**

In light of the acute electric system problems facing the State, the Governor has signed several bills designed to improve the efficiency of the California Energy Resources Conservation and Development Commission's (Energy Commission) review of power plant applications. Senate Bill 1388 (enacted as Stats. 2000, ch. 1040, sec. 2) amended Section 25519 of the Public Resources Code requiring local and state agencies to provide their final comments and recommendations within 180 days of the acceptance of the Application for Certification as data adequate. Similarly, President Bush issued a memorandum on February 15, 2001, directing relevant federal agencies to expedite federal permit review and decision procedures with respect to the siting of power plants in California.

As part of our review process, the staff of the Energy Commission works closely with local, state and federal agencies to ensure that all laws, ordinances, regulations and standards are met and incorporated into the final decision of the Commission. To ensure that this occurs in a timely manner, we request your cooperation in meeting the requirements of the new state law and federal memorandum by completing your review and issuing any draft and final notices, findings, or opinions (such as those contained in a final Determination of Compliance, wastewater discharge requirements, biological opinion, or land use decision) **within 120 and 180 days**, respectively. The 120 and 180 day review period begins upon the Energy Commission's finding that the application is data adequate.

Project Description

On October 9, 2001, Duke Energy Avenal, LLC (Duke Avenal) filed an Application for Certification (AFC) for the Avenal Energy Project (AEP). Duke Avenal is seeking approval from the Energy Commission to construct and operate the 600 megawatt (MW) project to be located on a portion of an approximately 148-acre site in a planned industrial park in the City of Avenal, Kings County, California.

AEP will be a combined cycle generating plant consisting of two General Electric 7FA Gas Turbines with Heat Recovery Steam Generators (HRSG) and one General Electric Steam Turbine. The electric power will be connected to the PG&E transmission grid via a 7000 ft 230 kV transmission line. Natural gas will be provided via a 7000 ft underground pipeline interconnection to the PG&E Kettleman compressor station located near the site. The primary source of water will be a municipal and industrial surface supply from Kern County Water Agency under a water supply contract delivered via the San Luis Canal.

Energy Commission's Facility Certification Process

The Energy Commission is responsible for reviewing and ultimately approving or denying all applications for thermal electric power plants, 50 MW and greater, proposed for construction in California. The Energy Commission's facility certification process examines public health and safety, environmental impacts and engineering aspects of proposed power plants and all related facilities such as electric transmission lines, natural gas pipelines and water pipelines. The Energy Commission is the lead agency under the California Environmental Quality Act (CEQA).

When the AFC is deemed data adequate, we will begin data discovery and the issue analysis phases. These phases of the project usually occur during the first 120 days after the AFC is deemed adequate. During this time, a detailed examination of the issues will occur. There will be opportunities for Energy Commission staff, your staff, and other parties to require the applicant to provide any additional information deemed necessary for proper analysis and resolution of the issues.

Over the 12-month licensing phase, the Energy Commission will conduct a number of public workshops and hearings on the proposal to determine whether the project should be approved for construction and operation and under what set of conditions. These workshops will provide the public as well as local, state and federal agencies the opportunity to ask questions about, and provide input on, the proposed project. The Energy Commission will issue notices for these workshops and hearings, normally 14 days, but in no case later than 10 days, prior to the meeting.

The status of the project, an electronic copy of the application for certification, copies of notices, and other relevant documents are also available on the Energy Commission's web site at <http://www.energy.ca.gov/sitingcases/avenal>. If you have questions please contact Jim McKinney, Energy Commission Project Manager, at (916) 654-3999, or by e-mail at jmckinne@energy.state.ca.us.

If the AFC is accepted as data adequate, your participation in future proceedings is encouraged and will consist of identifying and resolving issues of concern to your agency. There may be specific requests for agency review and comment during the proceeding. We look forward to working with your staff on the various issues of interest to your agency and remind you that it will be exceedingly helpful if any formal opinions, recommendations, legal requirements, and findings of your agency are completed within 180 days.

Sincerely,

PAUL C. RICHINS, JR.
Siting Program Manager

Enclosure